

House Bill 31
Sponsored by Rep. Kathy Kelker
House Education Committee
January 9, 2015

Good afternoon, my name is Madalyn Quinlan, and I am Chief of Staff for Superintendent of Public Instruction Denise Juneau. I would like to thank Representative Kelker for sponsoring HB 31 at the request of the Office of Public Instruction.

HB 31 is a "clean-up" bill, which clarifies and updates provisions related to school funding. The bill has no fiscal impact.

Section 1 amends the definition of the maximum general fund budget to clarify how the special education portion is incorporated into the budget limitation. The special education allowable cost payment is multiplied by the greater of 175% or the ratio of the district's special education expenditures to the payment that the district receives from the state, with a maximum allowable ratio of 200%. The changes made in this section are clarifications and do not change current practices related to the calculation of the maximum general fund budget.

Section 2 clarifies how guaranteed tax base aid subsidies are determined for each school district. The Guaranteed Tax Base Aid budget area is the portion of the BASE budget that school districts fund with local revenues, which in eligible districts is matched with guaranteed tax base aid from the state.

Prior to the addition of the new funding components in FY 2007 (quality educator payment, Indian education for all payment, at-risk student payment, and American Indian achievement payment), the guaranteed tax base aid budget area was defined as the BASE budget minus the direct state aid. When the new components were added to the general fund budget, the calculation of the GTBA budget area should have been amended to be the BASE budget minus the sum of district state aid and all of the new components.

The changes made in this section are clarifications and do not change current practices related to the calculation of the maximum general fund budget.

Section 3 defines the term "GTBA budget area" and clarifies that the GTBA budget area is the BASE budget minus each of the state funded portions of the BASE budget.

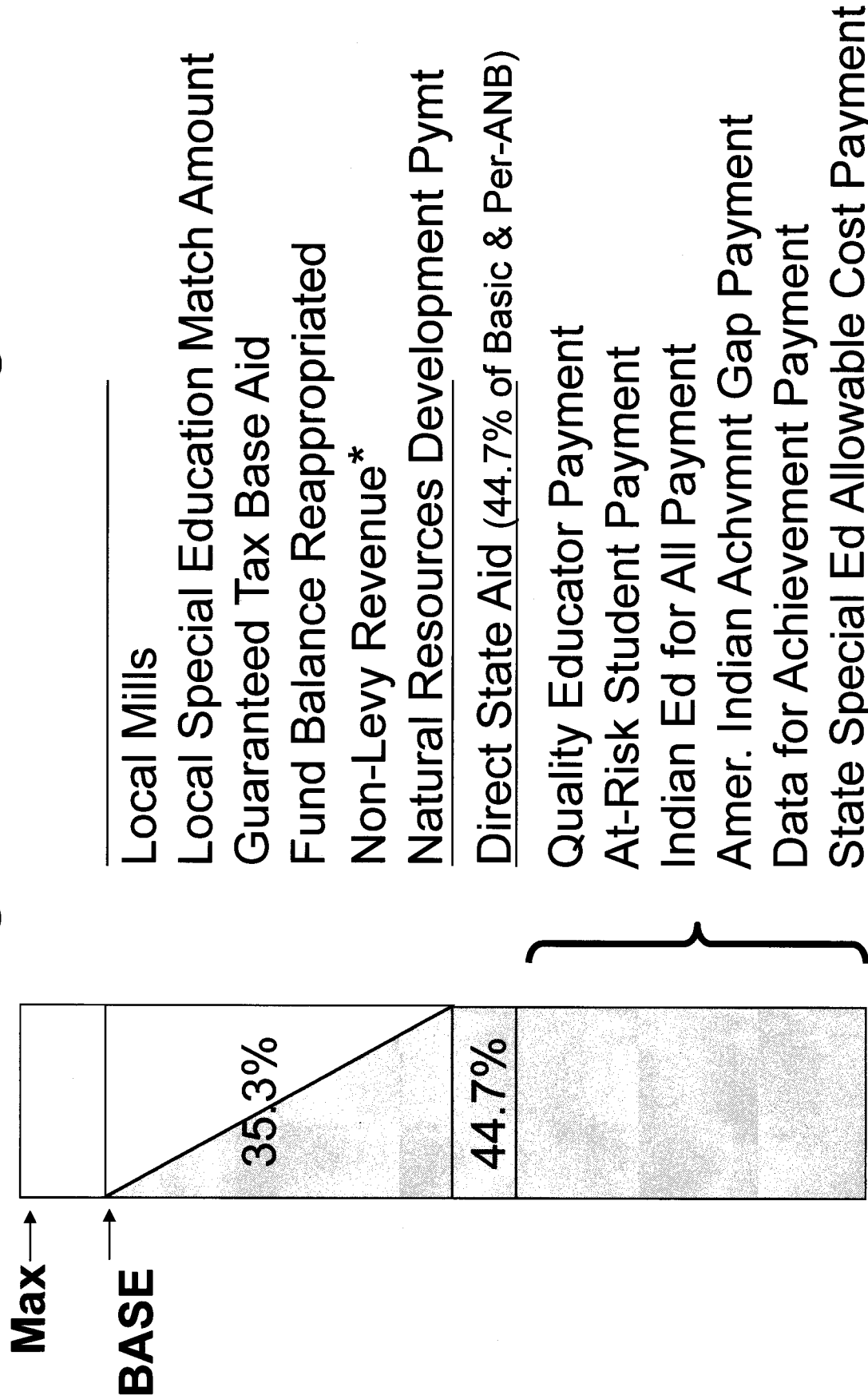
Both sections 2 and 3 clarify that budget data and taxable valuation data from the previous school year is used to provide funding for the ensuing school year.

Section 4 expands the authority of school district trustees to purchase or rent communication systems and safety devices for a school bus.

Section 5 authorizes a school district to use its bus depreciation fund to purchase communication systems and safety devices, in addition the two-way radios that may be purchased under current law. Examples of these newer systems in global positioning systems and video cameras.

Section 6 establishes the effective date of the legislation as July 1, 2015. The legislation will be effective for the 2015-16 school year.

Funding the BASE Budget



*at least 12.5% of Oil & Gas revenue received in all funds in the prior year
(SB175) 2013

General Fund Revenues